4. The leather industry

282 There were eleven tanning or leather goods factories in
(433) Shensi and twelve in Kansu. Their total capacity was 180,000 pieces of hide per year, which amounted to only eighteen percent of the total production of hide in the Northwest.

Two factories were partly equipped with machinery. One was the Northwest Chemical Leather-making Factory in Sian, which had mechanical press, mechanical brush, sprayers, and its own generator. It used more than one thousand pieces of raw hide per month, and its output included shoes, belts, and other leather goods. The other was the Lanchow Leather-Making Factory, which had mechanized sander, sewing machines, pumps, and other equipment. Its products included leather and leather goods. The rest were small factories, using very simple tools.

5. The flour industry

256 There were eight modern flour mills in Shensi and two in
(433) Kansu, with a total capacity of 6,500,000 bags per year. On the basis that one bag of flour requires fifty-four catties of wheat, it was estimated that the total quantity of wheat used by the flour industry was 3,500,000 piculs per year, about 7.5 percent of the total production of wheat in the Northwest.

(433) The larger mills, such as the Hua-feng Flour Co. and Cheng-feng Flour Co. in Sian, and the Fo-hsin Flour Factory in Pao-chi, produce 3,000 to 5,000 bags per day. The rest were under one thousand.

6. Miscellaneous

388 (a) Soap-making. There were five small soap factories in
(433) Shensi and four in Kansu. The total annual output was some 35,000 cases, which satisfied only a small part of the demand for soap in the Northwest.

• 289 (b) Paper. Paper-manufacturing was one of the main handicrafts in the Northwest which may be found in many places, but details were not available.

339 (c) Cement. The first cement factory was established in
(491) Shensi in 1938, with a capital of CNC$200,000. It had nineteen kilns which turned out six or seven barrels a day. In 1939, another factory was built in Shensi, with a capital of CNC $2,000,000. Its capacity was around 18,000 barrels a year, but the quality of its products was very poor. Still another factory was under construction in Kansu, with a capital of 4,500,000. But up to the end of 1942, it had not yet begun production.

315 (d) Oil. Oil has been produced in north Shensi and Kansu for over a thousand years. But it was not until the early twentieth century that modern methods of extraction were used. Since then, five or six wells have been drilled in north Shensi. During the Sino-Japanese War, the Chinese government was very much

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392 Five tractor repair works were under construction in 1955.
493 Each plant will have sixteen or fifteen mechanized worships. When completed, they will be able to repair as many as 475 tractors and combine harvesters each year in addition to making other farm tools and spare parts.

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329 There are scattered reports on other industrial developments
398 in Sinkiang, such as: (1) the August First Iron and Steel Plant,
391 (2) the October Motor Car Repair and Assembly Shop, (3) the
256 Urumchi Automatic Electric Plant, (4) the modernized August
288 First Flour Mill, (5) the Khotan Silk Factory, (6) Houcheng
399 Airplane Manufacturing Factory, and (7) more than a dozen
239 animal products processing plants, which process skins, furs
439 and intestines for the purpose of exporting them to the Soviet Union. But detailed information on these projects is not available.

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121 5. Handicrafts.
178 The foregoing analysis concerns itself with the development
463 of modern industries in the Northwest under the Communist regime. But handicrafts still play a very important role in this area as they do in other parts of the country. According to a

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463 1951 report, the main handicrafts in the Northwest were as follows:

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(1) Cotton cloth. A side line of the peasant, it was produced
[289] practically everywhere in the area. However, the more important producing districts are: 1. Sian, Paochi, in Shensi, 2. Tienshui, Ho-hsi and Min-chin in Kansu, and 3. Turfan, toqsun and Aqsu in Sinkiang. In terms of quantities, the total annual output

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[433] in Shensi is approximately 3,779,670 pieces; in Kansu, 3,505,760 pieces; in Sinkiang, 4,400,000 pieces.

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(2) Pottery. The annual output of pottery in the Northwest
[323] amounts to over 4,000,000 pieces. Of that amount Shensi produces
[433] more than 3,000,000 pieces, Kansu, 500,000, Ninghsia, 200,000, and Sinkiang, 50,000. The more famous pottery-producing districts are: 1. Huang-pao-chen and Chen-lu-chen in Tung-chuan, Shensi, which have been famous since the Sung Dynasty, 2. Yaokai in Yung-teng, Kansu, 3. Ah-kan-chen, Lanchou, Kansu, and An-kou-yao, Hua-ting, Kansu. The production consists mainly of pots, bowls, tea-pots, plates and tea-cups.

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(3) Paper. While paper is manufactured in many places in this
463 area, the more important paper-producing districts are: 1. Nan-
● 289 cheng (Han-chung), Shensi, 2. Khotan, Sinkiang, 3. K'ang-cheng and Tien-shui, Kansu, and 4. Ying-chuan, Ninghsia. The main varieties are as follows:

(a) The "rough-edge" paper. Usually used as a writing paper,
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[433] it is produced and consumed mainly in Shensi. The annual output is about 192,490 bundles.

(b) The "Flax paper." It may be made of white or black flax,

and is used mainly for wrapping. The annual output of the white flax paper is about 966,870 bundles, and that of black flax paper is 3,982,480. Part of this is exported to Szechwan, Hankow and Anhwei.

(c) The "improved" paper. It is produced and consumed mainly in Kansu, at the rate of some 300,000 bundles per year.

(d) The "mulberry-skin" paper. It is produced and consumed mainly in Sinkiang, at the rate of some 565,977 bundles a year.

(4) Bamboo articles. A side-line of farmers, they are made in many places, especially in Hua-hsien and Han-chung, in Shensi and Min-hsien, in Kansu. The annual output is estimated as follows: (1)farming implements, 29,280 piculs, (2) sieves, 132,300, (3) large bamboo baskets, 480,000, and (4) small bamboo baskets, 27,000.

(5) Straw hats. Also a side-line of farmers, they are made in many places, especially in Feng-hsiang, Wei-nan, Lin-tung, and Chang-an, in Shensi. The annual output in Shensi alone exceeds 1,377,900 hats.

(6) Brooms. They are made mainly in the districts near Mount Chung-nan, such as Mei-hsien and Chang-an. The annual output exceeds 800,000 brooms.

(7) Straw mats. They are produced mainly in Sui-te, Shensi, Chang-i, Kansu and Ninghsia City, Ninghsia. The annual output exceeds 3,000,000 pieces.

(8) Wooden rakes. One of the main farming implements in the Northwest, they are made mainly in Chang-an, Pu-cheng and Tung-chuan, Shensi. The annual output is about 88,000 pieces.

(9) Iron utensils. They are produced mainly in Pao-chi and Feng-hsiang in Shensi, and Tienshui in Kansu. The annual output is about 76,000 counts.

(10) Carpets. Carpet-making is one of the main handicrafts in Sinkiang. The carpets come in various sizes, up to eight by sixteen feet. The annual output exceeds 10,000 square feet. Of that quantity, some six thousand square feet is exported to India, Afghanistan and Soviet Russia and the rest is sold locally or to other provinces in the Northwest.

6. Evaluation and Prospects.

For the time being, the Communists seem to have concentrated on two things in industrializing the Northwest, one being the cotton industry in Shensi and Sinkiang, and the other being the oil industry in Kansu, Sinkiang and Chinghai. From the economic point of view, these developments are not unnatural, because Shensi and Sinkiang have been famous for their raw cotton, and the oil reserve in China is largely located in the Northwest.

While the present industrial development in the Northwest may not appear so impressive, this area will probably become